Ban on companies involved in Securities Scam

2151. SHRI AMAR SINGH:
SHRI ABU ASIM AZAMI:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have imposed 14 year ban on operations of companies involved in the last Securities Scam;

(b) whether similar ban was imposed on operations of other Foreign Institutional Investors;

(c) if so, the details thereof and individuals managing their operations;

(d) whether some of the Foreign Institutional Investors involved in the scam had been let off with minor penalties as pointed out recently by Securities Appellate Tribunal; and

(e) if so, the names of such companies and reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) SEBI *vide* order dated 12.12.2003 prohibited Shri Ketan V. Parekh, Shri Kartik K. Parekh, Classic Credit Ltd., Panther Fincap and Management Services Ltd., Luminant Investment Ltd., Chitrakut Computers Pvt. Ltd., Saimangal Investrade Ltd., Classic Infin and Panther Investrade Ltd. from buying, selling or dealing in securities in any manner directly or indirectly and also debarred them from associating with the securities market, for a period of 14 years.

(b) to (e) SEBI *vide* order dated 13.6.2002 suspended the certificate of registration of the stock broker Credit Suissee First Boston (India) Securities Pvt. Ltd. (CSFB Securities) for a period of two years *w.e.f.* April 18, 2001 for aiding, abetting and assisting Ketan Parekh entities in market manipulations. For similar violations, *vide* order dated 29.4.2004, the certificate of registration of Dresdner Kleinwort Benson Securities (India) Ltd. (DKB) was suspended for a period of 18 months.

The quantity of penalty in the two cases as above was with reference to their role as determined in their cases in quasi-judicial proceedings.